DIVISION OF OIL, GAS AND MINING

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March 18, 1998

Miracle Rock Mining & Research P.O. Box 76 Emery, Utah 84522

Letter of Concern Regarding the Notice of Intention to Commence Small Mining Operations Re: Submitted for Freemont Corporation's Proposed TJ Clark Mine, S/015/076, Emery County, Utah

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Dear Mr. Taylor:

Thank you for your letter received by the Division on March 10, 1998. The Division has reviewed the small mine operation notice of intention filed by the Freemont Corporation and found the notice to be deficient. A copy of our review letter was sent to you. Additional information is required before we can determine the application to be complete.

According to section R647-3-101(4) of the Minerals Rules addressing small mining operations, the Division makes a completeness determination on the adequacy of the information provided in a Notice of Intention to Commence Small Mining Operations (Form MR-SMO). The Division does not issue a formal approval of a small mining notice. The applicant is typically notified in writing within 15 days that the application is either complete, or that additional information is necessary to satisfy the Minerals rules requirements.

Your letter raised the concern of the Freemont Corporation's mining operation conflicting with your existing operations. The Freemont Corporation's lease apparently overlaps or adjoins your lease. The Division of Oil, Gas and Mining and its Board do not have the authority to resolve disputes which involve mineral rights or surface rights. These disputes must be resolved through other channels, often times through the civil court system. Because this dispute involves state mineral leases, the School Institutional and Trust Lands Administration (SITLA) may have regulatory provisions or other mechanisms to assist you in resolving this situation.

Your letter requested any information we could provide regarding the Freemont Corporation notice. You stated that the Letter of Intent which you received from the Freemont Corporation failed to show the location of the areas to be disturbed or the body of ore to be mined. The Freemont Corporation lessee notification letter did not show the areas to be disturbed, or the precise location, nature or extent of ore deposit to be mined. This information once received by the Division is available for public inspection unless it is requested to remain confidential by the applicant. All other information relating to the small mining notice is considered public and our mine files are open for public inspection and

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copying during normal business hours (8:00 am - 5:00 pm, Monday through Friday). Because your written request for additional information does not meet the specific requirements of an official Utah Government Records Acquisition Management Act (GRAMA) request, we are not able to process your request at this time. Utah Code Ann. §63-2-204 requires that "[a] person making a request for a record shall furnish the governmental entity with a written request containing his name, mailing address, daytime telephone number, if available, and a description of the records requested that identifies the record with reasonable specificity." Id. GRAMA does not require that the Division attempt to create a record. GRAMA only requires the release of existing records after a request that identifies the records with reasonable specificity is received. The Division believes that the most productive time for a renewed GRAMA request would be after a determination is made by the Division that the application is complete. If such a determination is made, the Division records may contain some, if not all, of the information your first GRAMA request was seeking.

We appreciate your interest and concern with this small mining proposal as it may be related to your leases and operations. If you have further questions or concerns in this matter, please contact me or Tony Gallegos at (801) 538-5286 or 538-5267 respectively.

Sincerely,

D. Wayne Hedberg

Permit Supervisor

Minerals Reclamation Program

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Thomas J. Clark, Freemont Corporation

Will Stokes, SITLA

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